

STATE FIRE AND TORNADO FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008

	August-08				July-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
Los Angeles Capital	773,741	2.9%	2.8%	-0.56%	701,170	2.6%	2.8%	-1.18%	-1.73%	-7.79%	7.68%	N/A
Total Structured Growth	773,741	2.9%	2.8%	-0.56%	701,170	2.6%	2.8%	-1.18%	-1.73%	-7.79%	7.68%	9.56%
Russell 1000 Growth				1.08%				-1.90%	-0.84%	-5.96%	5.91%	7.32%
Structured Value												
LSV	703,140	2.6%	2.8%	1.61%	623,426	2.3%	2.8%	-0.58%	1.02%	-21.43%	3.81%	11.57%
Russell 1000 Value				1.70%				-0.36%	1.33%	-18.78%	3.53%	8.92%
Russell 1000 Enhanced Index												
LA Capital	1,516,205	5.6%	5.6%	0.76%	1,355,993	4.9%	5.6%	-2.05%	-1.30%	-9.54%	6.97%	N/A
Russell 1000				1.38%				-1.16%	0.20%	-12.36%	4.81%	
S&P 500 Enhanced Index												
Westridge	1,569,745	5.8%	5.6%	1.58%	1,392,709	5.1%	5.6%	-0.73%	0.85%	-12.18%	4.98%	N/A
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	
Index												
State Street	504,202			0.31%	452,922			-1.16%	-0.85%	-18.24%	2.93%	6.64%
Total 130/30	504,202	1.9%	1.9%	0.31%	452,922	1.7%	1.9%	-1.16%	-0.85%	-18.24%	2.93%	6.64%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	5,067,034	18.8%	18.8%	0.88%	4,526,221	16.5%	18.8%	-1.22%	-0.35%	-12.71%	5.68%	9.31%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.59%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	837,103	3.1%	3.1%	2.40%	746,616	2.7%	3.1%	0.99%	3.41%	-20.93%	2.06%	9.10%
Russell 2000 + 200bp				3.78%				3.87%	7.79%	-14.48%	5.88%	12.50%
Enhanced												
Research Affiliates	888,703	3.3%	3.1%	3.55%	783,462	2.9%	3.1%	2.98%	N/A	N/A	N/A	N/A
Russell 2000				3.61%				3.70%	7.45%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	1,725,806	6.4%	6.3%	2.99%	1,530,078	5.6%	6.3%	1.97%	5.02%	-21.14%	1.97%	9.04%
Russell 2000				3.61%				3.70%	7.45%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY												
Large Cap - Active												
Capital Guardian	1,065,497	4.0%	4.0%	-3.83%	948,952	3.5%	4.0%	-4.00%	-7.68%	-12.37%	12.24%	14.35%
LSV	1,073,212	4.0%	4.0%	-1.07%	929,624	3.4%	4.0%	-2.50%	-3.55%	-25.78%	7.37%	N/A
Total Large Cap - Active	2,138,709	7.9%	8.0%	-2.47%	1,878,577	6.9%	8.0%	-3.27%	-5.66%	-19.29%	9.83%	13.46%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%
Small Cap - Value												
DFA	249,114	0.9%	1.0%	-3.22%	220,728	0.8%	1.0%	-4.44%	N/A	N/A	N/A	N/A
Total Small Cap Value	249,114	0.9%	1.0%	-3.22%	220,728	0.8%	1.0%	-4.44%	-7.52%	-12.74%	9.30%	17.27%
S&P/Citigroup Broad Market Index < \$2BN				-5.40%				-4.30%	-9.47%	-25.49%	7.39%	17.33%
Small Cap - Growth												
Vanguard	241,922	0.9%	1.0%	-5.82%	214,722	0.8%	1.0%	-5.82%	-11.30%	-17.52%	11.77%	20.18%
Citigroup Broad Market Index < \$2BN				-5.40%				-4.30%	-9.47%	-25.49%	7.39%	17.33%
TOTAL INTERNATIONAL EQUITY	2,629,746	9.8%	10.0%	-2.85%	2,314,026	8.4%	10.0%	-3.62%	-6.37%	-18.83%	9.79%	14.56%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%

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	August-08				July-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	FYTD	FY08	Ended	Ended
		Actual	Policy			Actual	Policy		Net	Net	6/30/2008	6/30/2008
											Net	Net
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	4,467,076	16.6%	17.1%	1.03%	4,294,392	15.7%	17.1%	-1.78%	-0.76%	2.06%	2.76%	3.55%
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	7.12%	4.09%	3.86%
Mortgage Backed												
Hyperion	859,328	3.2%	4.4%	-10.70%	941,479	3.4%	4.4%	-8.02%	-17.87%	-20.24%	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				-0.46%				-0.06%	-0.52%	10.14%		
Core Plus/Enhanced												
<i>Clifton Group</i>	1,318,680	4.9%	4.4%	1.11%	1,263,729	4.6%	4.4%	0.45%	1.56%	10.17%	N/A	N/A
<i>Prudential</i>	1,307,555	4.9%	4.4%	0.71%	1,259,831	4.6%	4.4%	-0.24%	0.46%	4.89%	N/A	N/A
Total Core Plus/Enhanced	2,626,235	9.7%	8.8%	0.91%	2,523,560	9.2%	8.8%	0.10%	1.01%	7.55%	N/A	N/A
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	7.12%		
Index												
Bank of ND	2,296,816	8.5%	7.7%	1.06%	2,206,946	8.1%	7.7%	0.07%	1.14%	7.68%	3.93%	3.28%
<i>Lehman Gov/Credit (1)</i>				0.92%				0.00%	0.92%	7.24%	3.84%	3.24%
BBB Average Quality												
Wells Capital (formerly Strong)	4,565,967	16.9%	17.1%	0.83%	4,400,501	16.1%	17.1%	-0.59%	0.24%	3.55%	3.04%	3.85%
<i>Lehman US Credit BAA</i>				0.80%				-0.67%	0.13%	2.62%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	14,815,422	55.0%	55.0%	0.19%	14,366,878	52.4%	55.0%	-1.24%	-1.06%	2.32%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				0.95%				-0.08%	0.87%	7.12%	4.09%	3.73%
CASH EQUIVALENTS												
Bank of ND	2,719,911	10.1%	10.0%	0.17%	4,659,558	17.0%	10.0%	0.16%	0.33%	3.43%	4.10%	3.38%
<i>90 Day T-Bill</i>				0.16%				0.18%	0.33%	3.63%	4.27%	3.18%
TOTAL FIRE & TORNADO FUND	26,957,918	100.0%	100.0%	0.20%	27,396,762	100.0%	100.0%	-1.03%	-0.84%	-4.00%	4.35%	5.92%
POLICY TARGET BENCHMARK				0.88%				-0.22%	0.66%	-0.90%	5.01%	5.95%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.